

The

CREDIT UNION BRIDGE

THE WAY TO ECONOMIC BETTERMENT



Credit union family viewing new CUNA Mutual movie "Forgive Us Our Debts"

Official Publication

January, 1956

Credit Union National Association

TEN MEMBERS TELL Why They Belong To Credit Union

WHAT MEMBERS of C-Plant Employees Federal Credit Union, Paducah, Kentucky actually think of their organization, and why they became members, is brought out by the answers of 10 of the members to the following question:

"Why are you a member of the credit union?"



J. Channing Hale: "I have finally come to the conclusion that my 1951 Plymouth will not last forever. I joined the credit union two

months ago primarily for the purpose of setting up a 'car replacement' fund. It is my belief that it is wiser to make your payments in advance of purchase when possible to prevent paying interest and carrying charges."



Bill Thieleman: "For two good reasons; first it is good inducement toward building a savings account; secondly because these joint savings provide a loan fund whereby the group helps its members in better living, and in cases of emergency and misfortune."

Effie Collins: "I belong to the credit union because I can't imagine an easier way to save or borrow money, or even to pay it back. When I'm saving, it is with the least amount of effort and sacrifice. When I need a loan it is comforting to know that it can easily be arranged, and paying it back is as painless as the payment of any debt can be."



Gladys Adams: "I am a member of the credit union because I feel it is a wonderful opportunity for systematic savings. Too, it gives the employee the added advantage of bor-



Chester T. Kerth: "Being a member of the credit union presents an opportunity for a safe investment, plus a good return. When the occa-

sion arises, ready cash is available on short notice, interest is low, and payments may be arranged suitable to the individual."



Martha Lou Gibbs: "To me the credit union, is the way to save money. My sincerest thanks go to the credit union board of directors and

employees."

Jack G. Scott: "It gives the little man a chance to bargain by paying cash for merchandise. You can save more by paying cash than the credit union interest amounts to. It encourages systematic sav-



Jack D. Lindsey: "I am a member of the credit union because it is a convenient and reliable place to borrow or invest money. It pays a good dividend on



the shares. It saves money for members because by borrowing from the credit union to buy appliances, cars, and other things, you pay a cheaper rate of interest. It also gives you a feeling of security to know that you can borrow money in case of emergency."

Gladys Adams: "I am a member of the credit union because I feel it is a wonderful opportunity for systematic savings. Too, it gives the employee the added advantage of bor-



rowing money at a much lower rate of interest than he can secure elsewhere."

J. W. Abell:

"It is a convenient place to borrow, when the necessity arises, at only a nominal interest cost. Repaying in small weekly installments without going out of my way is a feature of the credit union I especially like."



G. N. Curd:

"The credit union is a convenient way to save and borrow. It's a lot easier to borrow from the credit union than from banks or other 'outside' sources. Many of us have luxuries and conveniences because of the credit union, which we wouldn't have if we had to wait until we could pay cash."



—The Carbide Kentuckian.

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The Credit Union Bridge

The noblest pleasure which men may enjoy in this world is the discovery of new truths. The next is to shake off old prejudices.

How Lee Horton Discovered A Way To Financial Security

LEE WAS STANDING in front of McGregor's new department store. He was a bit chilly in his baggy suit. "This store and all these clothes look nice," Lee mused to himself. "Must have cost a chunk of money."

Suddenly he noticed his reflection in the window. What a contrast! The old suit he wore and the new suits on display. Lee pondered: "What is the difference between the owner of this store and me? Why is he so successful?" Lee's eyes dropped from the window. Another problem was posing itself in his mind.

Lee had five children and money was a scarce item. His father had not been interested in his education. School ended for Lee during his third year. Growing up had been a series of experiments. Then he became interested in Ann Sherman. As his family responsibility grew, Lee became concerned about finding relief from the struggle for money to meet expenses.

"Suppose I walked into Mr. McGregor's office and asked him to explain the difference."

Lee found himself before the elevator, asking for Mr. McGregor's office. Getting off on the fifth floor he found an open door to the secretary. "Is Mr. McGregor in? May I see him? My name is Lee Horton."

Soon Lee was stepping on a sponge rug, and with a polite reception and an invitation he was seated in a cushioned chair that indicated great prosperity.

He mentioned how he had admired the store; how he had seen his reflection in the window; and how his question had come to his mind. "Mr. McGregor, what is the formula for financial success? What is the difference between our financial principles?"

Mr. McGregor was interested. The question aroused his own curiosity. He sized up the question, considered it, permitted his imagination to take flight for a few moments and then turned to Lee: "Mr. Horton, you asked an interesting question. I do not know that I can answer it. It seems to me that each of us has patterns of thought and action which we develop over the

years. These patterns will determine the direction of our efforts and influence the course our lives will take."

After he had given the problem a few more minutes' thought and contemplation, Mr. McGregor continued: "I do not believe that I can tell you the difference between our financial principles, but I believe that if you would take the trouble to go out of your way to deposit, for example, 25c in a savings account each payday, that you might discover a new pattern of thought and economy which in time would make the difference."

Lee considered Mr. McGregor's answer. It occurred to him that he certainly could afford to save 25c each payday. The benefits from saving 25c each payday were vague. However new financial habits might lead to new financial patterns. Lee decided that he would try Mr. McGregor's suggestion.

Lee got up to go. "Mr. McGregor, thank you very much for the idea, and thank you for your kindness. I shall give it a try."

During the balance of the next week, Lee re-lived his visit with Mr. McGregor many times. Where would he make his deposits? A number of the men in his department went home on a different route on



paydays. He was aware that they went to the credit union office near the main gate. It was a couple of blocks away, yet it was the most convenient savings place. Lee had his share of audacity, but the matter of depositing only 25c went through his mind many times.

Friday night found Lee headed in the opposite direction. At the credit union office he became a member and saved his first 25c. As he started home, a new series of questions began to take shape in his mind. Is it worth all this trouble to save 25c? What do we get out of our expenditures? What could we save if we took more care? With observation and more information can we get better values? Can we avoid some expenses? Can we get along better by planning ahead?

Lee was soon raising questions at home. He seemed to have a knack for raising good questions, and like a train engineer, he could keep the answers and the explorations for answers from jumping the track. The welfare, the needs and the demands of each family member began to get more consideration. Expenditures were challenged. Comparative values and alternative ways to meet desires and needs were considered.

It was not long before Lee became dissatisfied with the slowness with which the 25c weekly deposit grew. It soon became a dollar, and with some ups and downs has continued to get larger.

When the Community Chest campaign came around, Lee brought the subject up for discussion. He never had contributed before. He had never felt he had any money to give. The past family financial embar-

Ladder to Action:

(Read from bottom upwards)

I did
I will
I can
I think I can
I might
I think I might
I wish I could
I don't know how
I can't
I won't

—(Burnpur-Kulti Monthly).

assessments were reviewed. The family was not willing to say the troubles had all been unavoidable. It agreed that tolerance and sharing are important in a world with so many problems. Lee gave for the first time. As the years passed, the community chest solicitors were surprised because no one personally gave so much except the top boss.

The neighbors never thought of Lee or his family as selfish or miserly. They considered the Hortons the most alert family, always ready with help wherever it was needed.

The children started to show some realization of the family budget needs and the importance of making good use of money earned. The new pattern in time began to develop the children's sense of using time profitably, of earning money, being responsible, and working with other people.

Instead of the employment disappointments that occurred in previous years, Lee seemed to be solving problems on the job which resulted in promotions.

The question of the children going to college did not come up. The question was what they were going to get out of college. Years later, an old neighbor found Lee's children very much aware of housing problems, down payments, and home financing; they were alert to the usefulness and cost of merchandise, ways of regulating expenditures, politics and the welfare of people.

After many years, Lee has never forgotten that the most important money he ever saved was the 25c he went out of his way to deposit at his credit union.

Children Can Build A Credit Reputation

THE HARRISON FAMILY had a long-time pull to clear up unexpected bills. It was necessary to cut expenses, so mother and dad explained the circumstances to Jane, age 12, and Bob, age 10.

To provide for some of the children's wants, they were looking for ways in which the children could earn money.

Jane became interested in selling Christmas cards, but found she would possibly need \$40 if she were to allow people to pay for the orders on delivery. Mr. and Mrs. Harrison didn't have \$40 to spare. They didn't want to discourage Jane. After thinking about it a few days, Mr. Harrison stopped at the credit union office and posed the problem to the manager. With-

out hesitation the manager suggested a loan with the parents as co-makers. Jane thought it was wonderful.

Selling Christmas cards was a trying business, particularly when the company was a bit slow in filling the orders for the anxious customers. Jane's mother was resourceful and with her understanding and encouragement Jane's venture turned out \$40 to the good after repaying the loan.

By this time Jane began to realize that earning money took work, and that business ventures took capital. After many questions and considerable discussion, Jane deposited \$25 in her credit union savings account, and spent \$15 for Christmas and personal needs.

Between the age of twelve and twenty-two Jane was constantly borrowing for projects and adding to her savings until the account was \$480. She had helped partially meet her college expenses. Now as a graduate in Home Economics she was one of three girls who were offered jobs to put on demonstrations on canning and to test pressure cookers as a part of the

training program of the home demonstration agent. The position required that the girls each have an automobile.

Jane discussed the car problem at home. She then talked it over with the credit union manager, and arranged for a garage man of repute to help her pick out a good used car. She made a loan for the full amount of the car, and used her savings and the car as security.

Her friends were surprised that she could solve the car problem so quickly. How could she just walk into a credit union and get the needed funds? When they understood better, Jane's friends found their parents were asking many questions about the credit union.

Wise Men Say

•• A man should never be ashamed to own he has been in the wrong, which is but saying in other words that he is wiser today than he was yesterday.—Swift.

•• Accomplishments must be preceded by preparation. How you use today will determine how tomorrow will use you.



Mrs. Susan Wilhelm, widow of the late John Wilhelm, and Thomas E. Hill, President of the Boulder Dam Federal Credit Union, are shown looking at a check for \$1,678.67 paid by the CUNA Mutual Insurance Society to the credit union to cover the family's loan balance.

The membership of the Boulder Dam Federal Credit Union voted at their annual meeting in January, 1955, to adopt a loan protection insurance program whereby the CUNA Mutual Insurance Society pays any loan balance up to \$10,000 in the event that an insured borrower dies or becomes totally or permanently disabled.

Mrs. Wilhelm's family is the third to benefit from a claim paid under the credit union's new loan protection program.

THE CREDIT UNION BRIDGE NEWSLETTER

New Credit Unions Total 1381 from the beginning of the fiscal year (since March first) thru November. Passing the story of credit unions along to friends and associates provides an opportunity to help other people solve financial dilemmas, and to find new credit consideration in time of financial trouble from a group more concerned with people than with profits. Volunteer Organizers' Kits are available without cost from CUNA Education and Organization Department, Box 431, Madison 1, Wisconsin, or Box 65, Hamilton, Ontario. The kits include a credit union leaflet and a guide on how to organize a credit union.

CUNA Mutual Insurance Society increased its insurance coverage on credit union people by \$423 million during the first 10 months of 1955, raising the total of insurance in force to \$2,272,167,630. CUNA Mutual is owned and controlled by credit union members, and restricts its services to credit union people. Most of the coverage consists of Loan Protection and Life Savings insurance.

The outstanding growth of CUNA Mutual is illustrated by its ranking with other life insurance companies measured by total coverage in force. At the end of 1942 CUNA Mutual was listed in the 121st position, 60th in 1950, 55th in 1951, 44th in 1952, 36th in 1953, and 29th in 1954.

Area Meetings: Be on the lookout for the CUNA Mutual Insurance Society Area Meeting nearest you! All policyowners, both individual and credit union, are urged to come, express their opinions, and exercise their right to vote for the directors they wish to represent them on the CUNA Mutual board of directors. The area meeting system is unique with CUNA Mutual. Otherwise you'd have to come to Wisconsin to cast your vote in the biennial general election, or vote by mail, without benefit of discussion of the issues.

Interest in Credit Unions from Around the World:--A professor of labor law at the University of Sao Paulo, Brazil, has borrowed a copy of King's X (the credit union movie) from the Credit Union National Association through the U. S. Information Agency. Iranian employees of a U. S. Point Four mission have requested information on credit unions which was passed on to CUNA (Credit Union National Association) from a District of Columbia credit union. As a result of the recent national advertisements on credit unions, requests for further information have come from Mexico, Brazil, Gambia (West Africa), Jamaica, and Cuba during the past month.

"Watch Out for Those Gyp Car Deals!" is an expose article in the Saturday Evening Post, October 29, 1955, page 27. This is worth going to the library to read and to take notes from. There is room for an awakening in regard to auto finance practices. All is not well in this field.

A Royal Commission on Canada's Economic prospects has asked the Canadian CUNA office for a brief, estimating the prospective growth of credit unions. Mr. D. E. LePan, the secretary and director of research for the commission, wrote "I should think that a brief from your association, representing as it does, the organized credit union movement in Canada, would be most useful to the Commission. Among the studies which are being undertaken is one relating to financing economic activity. I should think that a brief from your association would be valuable in connection with this study, particularly if the brief would deal with such matters as the growth of credit unions in Canada, the distribution of credit union assets, types of activity financed by credit union loans, and finally, financial relations among credit unions, and such relations among credit unions on the one hand and other financial institutions on the other."

The CUNA Canadian office has been working closely with the Canadian government in finalizing the regulations relating to government-backed loans to fishermen. Credit unions were included among those authorized to handle such loans. Information is

being provided from the Canadian office to guide credit unions who wish to participate in the benefits of this legislation. It is recommended that such transactions be handled thru provincial leagues.

"King's X", A Free Rental Movie (except for transportation charges in some cases) shows dramatically how credit unions help members to solve financial problems. Professionally produced in Hollywood, this 16mm, 27-min. sound film is available for showing to employee groups, union meetings, service clubs or your community's TV-audience. Contact your state or provincial league or CUNA (P. O. Box 431, Madison 1, Wisconsin and P. O. Box 65, Hamilton, Ontario).

1955 Credit Union Yearbook. This 40 page booklet contains basic information on the credit union movement. It also lists state, provincial and national credit union statistics and addresses. Available to members through CUNA Public Relations Department, Madison 1, Wisconsin, at 10¢ per copy.

Free Credit Union Literature Available for those who want to be better informed about credit unions. Write: CUNA, Box 431, Madison 1, Wisconsin, or Box 65, Hamilton, Ontario.

"The Credit Union's Proper Place in History" by T. W. Doig; Fabian Monroe's 16 page booklet "Credit Unions - Thrift and Loan Service By and For People Working Together"; and a leaflet "They All Endorse".

A NEW PRINTING OF "WHAT ARE CREDIT UNIONS AND HOW CAN WE USE THEM?" is off the press. This is a 32-page teachers' manual in 7 chapters: what is a credit union; basic principles of the credit union; purposes of the credit union; the story of credit unions; how does a credit union operate; how is a credit union established; and other credit union benefits. The manual has been made available to teachers without cost through the POP fund of the Credit Union National Association.

WORLD WIDE CREDIT UNION SERVICES are explained in the CUNA World Extension Department's free leaflet.

FREE INSURANCE LITERATURE for credit union members who wish to find out about low-cost insurance. (1) Premium Rate Booklet - contains cost of all policies written on an individual basis; (2) Extra-Ordinary Life Insurance pamphlet - a plan which has more coverage than the usual limited pay life or endowment insurance but at the same time provides these features to the policyowner; (3) pamphlet outlining family insurance programming; and (4) leaflet describing personal insurance counselling.

Seven leagues participate in CUNA Orientation Program. The associations of credit unions from Arizona, New Hampshire, Illinois, Alabama, Wisconsin, Tennessee and Iowa sent full-time state league representatives to CUNA for the week of December 12-17. These men have an opportunity to go thoroughly into the CUNA structure: Education, Organization, Bonding, CUNA Mutual Insurance, CUNA Supply Cooperative, Public Relations, Advertising and Promotion Service, the Credit Union Bridge and Family Credit Union Digest, Auto Insurance, Statistics. The CUNA staff have on the average over 15 years experience with specific problems over a broad range. The league representatives also have years of experience concerning current problems from local areas. A week of day and night sessions of these groups provides a means of improving credit union services, leagues and CUNA. Many leagues participated in 1955.



Attending Orientation Program at Filene House from left to right are: A. Geyer, Tenn.; W. Shariett, Ala.; J. Walsh, N. H.; P. Hutchinson, N. H.; E. Wagner, Wis.; W. Brietske, Ill.; L. Dunne, Ia.; J. Phillips, Ala.; L. Davis, Ia.; D. Warner, Ariz.; R. Cannon, Ill.

Teaching Children

THE VALUE OF A DOLLAR

By Donald T. Krider*

"I WANT MY CHILD TO KNOW the value of a dollar." Have you ever said that—or thought it? If you are a parent, chances are more than likely that you have. What have you done to help your children reach this goal? If you are a typical parent, your action has more than likely followed these lines:



1. You give your child an allowance within your means and your child's needs with advice to make it last.

2. You make it a point to inform your child how much it costs for shoes that need resoling, clothes that are needlessly torn, or damaged, or for what you feel are unnecessary purchases like candy and movies.

3. You combine both the above systems.

4. You think that something should be done, but you don't know what to do.

The fact that most of us live in large cities and earn our living by working for wages, makes it difficult for us to find "real" work for our children to do as grandfather did around the farm. There is no woodbox to fill, no cows to milk, or corn to hoe. If we live in an apartment unit, we have no grass to cut or snow to shovel. Those of us with older children

may permit them to peddle newspapers, baby-sit, or find part-time work in stores or shops. However, children should be learning the "value of a dollar" before they reach the age required for selling their services on the labor market.

Do you follow the pattern of giving out nickels, dimes—or occasionally dollars—as your children ask for them, or have you set up an allowance for your children? While both of these procedures give children the opportunity to possess money and to make judgments in spending it, neither system helps them to develop an understanding of the time and effort it takes to earn the money. Aside from "working" father and mother, they acquire no appreciation of the relationship of money and work value. To learn the value of a dollar you must first earn the dollar.

Some families, realizing these limitations, have established wage scales for their small fry. Cleaning their own room each day has a fixed rate. Helping with dishes, housework, and yard work all have fixed rates of pay. If the family has a car, helping to clean the car carries a set wage. There are opportunities for purposeful work in every home and by using this system jobs can be assigned to children of all ages proportioned to their strength and abilities.

This system seems to operate best when the children are included in planning what jobs they are to do and what wages they are to receive. Such cooperation not only develops good economic sense but it also makes for good family relations. The children learn to accept their responsibilities in the care of their home; "working" their parents for nickels and dimes is eliminated and the children learn to understand the relationship between work and wages. When they



do not do their work, they are not paid. We all know that money earned through our own effort tends to be spent more wisely than money received as a gift.

This parental policy is a worthy one, but it is not complete. We don't work for dollars in themselves nor do we want our children to do so either. Such an educational program would create a generation and a society of misers, and money is still essentially desired as a means of exchange and as a standard of value. It is desirable that our children learn to use wisely the money that they have earned or that has been given them. They should learn how to spend their money so as to get the most from it, how and when to save it, and how to invest it.

The home situation offers the best opportunity to initiate and develop sound attitudes, habits, and for learning the value of the dollar in a complete sense. Parents do not need to have a major in economics to introduce their children to family economic problems.



Every day each family must face and make decisions as to how it is going to use its income. Daily you ask yourself, "What do we need, what should we save for, what offers the best buy, and how can we pay for it?" The multitude of daily economic activities in which you are engaged, from shopping for groceries to planning, financing, and building a home, provide conscientious parents with the opportunity to learn and to plan with their children.

Many high school students have only a vague understanding of a

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family budget, what is included in one, how it is set up, and how it is used. The preparation of a family budget with all members of the family participating in its establishment and operation is the place to begin this program of family education.

If you are one of the families that has not used a budget before, you will need some aid in setting one up. This can easily be secured from materials in your local library under the headings budgets, home economy, or consumer economics. Your librarian can direct you to these materials or put them into your hands.

Your federal government offers free or inexpensive material which can be secured by writing to the United States Government Printing Office, Washington, D. C., or directly to the agencies which prepared the materials. Some of these are: The United States Department of Labor, Bureau of Labor Statistics, and the United States Department of Agriculture, Bureau of Human Nutrition and Home Economics.

In Canada the Department of National Health & Welfare, Ottawa, Ontario, provides a worthwhile booklet on the subject of budgeting and family finances; Family Service Bureaus, operating in most cities, will give individual budgeting guidance.

The Home Economics Department of your university will be able to give you help in the way of printed material or direction as to other sources of information. Your local credit union, bankers, savings and loan association, insurance adviser or credit source will be able and willing to provide materials and help in preparing a standard budget. The next step of making the budget fit your family's income and needs is up to you. Who is to make money decisions in your family?

Several generations ago the idea of including women and children in family financial planning would have been considered ridiculous. Today we know that women are participating in the responsibilities and authority of family economy. Reliable statistics inform us that approximately 90% of the consumer's dollar is spent by women in our country. Visitors from foreign countries frequently express amazement at the degree of participation American women have in determining economic decisions in the home.

We realize that our nation is a

democracy and democracy is based upon shared respect, shared responsibility, and shared authority. In relation to the family pocket-book, this does not mean that every member will have equal responsibility and authority but that they will be permitted to contribute and expected to assume their share as it is determined by the family group. Certainly parents and other adults, by reason of their greater experience and greater contribution to the family's well-being, will continue to exercise the greatest part in the decision making. However, if you really want your children to know the value of a dollar, this is the opportunity for them to



learn it through their participation in helping to plan and operate their family budget.

If you wish to learn how well you have done in educating your children economically, ask them these questions: What size underwear do you wear and how much did it cost? How much do we pay for housing (what are the utility bills)? What insurance protection do we have? What would we do if father (or mother) were unable to work? How would we pay our bills?

In many instances boys up to the age of 17 and 18 won't even know their own underwear size or what it costs. Unless they work in stores, prices of food, clothing, and household furnishings will be unknown to them. Unfortunately our modern young male is not encouraged to participate in the economics of the home as frequently as his sister. Shopping with mother is considered to be for girls or sisters. Yet, by the age of 19 or 21 this same young male will be on the verge of matrimony and of becoming a responsible person for the well-being of a family. If he is lucky, the young woman he marries will have grown up in a family where the girls were encouraged to participate in the family economics at least as far as cooking,

shopping for food, clothing and household furnishings are concerned.

Children can begin to participate in family planning sessions as soon as they are old enough to go to school and in some cases a year or two earlier. Certainly they will not help select the family's life insurance plan, but they will sit in on the family planning; contributing their own suggestions, and learning by experience the attitudes and practices of family cooperation.

As the child grows older, more areas of activities open up. Planning meals, shopping for food, clothing needs, comparing prices, qualities, and services are some activities suitable for the elementary school age child and his parents. Planning the route and costs of a day in the country or an extended vacation is stimulating for children and adults alike, particularly when done together.

By the time children have reached 12 years of age most of them should be ready in terms of mathematics skills, use of the English language, attention and concentration span, and general experience to participate in larger and more complicated areas of the budget. Family insurance programs, taxes, indebtedness and credit, long and short term savings plans and investments can be understood at least in a general way. If they are on an allowance or working on a wage scale as previously suggested, they should be keeping their own accounts and using a plan for spending.

Again the family has many sources of help. CUNA Mutual Counseling Service will provide appraisals and recommendations on life insurance by mail. Agents of life, casualty, and property insurance are happy to spend an evening with a family reviewing, explaining and planning a family insurance program. Insurance companies and local and regional social security offices have considerable literature that the family can read and study together. A series of evenings on this subject will go a long way to develop an understanding of insurance and help your children to answer some of the questions concerning "What would we do if father or mother were unable to work? And how would we pay the bills?"

Credit unions, banks, finance companies, and building and loan associations print and distribute their literature free of charge to

interested persons. If you are planning to buy a car or household furnishings or a home on credit, study the costs of the credit from the various sources available to you. Your children will profit by learning to apply their mathematics skills and through their growing understanding of the nature of credit the family will profit by securing credit at the best terms available to them.

Every individual from time to time asks "what do I want out of life? what are my goals for tomorrow? for next year? how can I achieve them?" We can only answer these questions in terms of the entire family's needs, desires, and income. We can best obtain our answers and goals when the entire family plan and work together toward their objectives.

By including your children in

the money planning sessions of the family you will gain greater cooperation and understanding from them. You will find it easier to get the things you want for yourself and for your family. The children

will develop knowledge, an improved sense of family responsibility, incentives to work, and through practical experience an appreciation of the consumer value of a dollar.

How Would You Answer These Questions?

Is it more desirable to develop the children's sense of obligation to the family without pay than it is to teach them the value of a dollar?

Are we being realistic in training our children if we pay them for their services but do not charge them for the services they receive from the rest of the family?

Can the average family afford to pay its children for their services?

How should the pay for children be established? At a beginners' level? part in cash and part as a contribution to family living? realistic with present outside cost for service?

Should children pursue outside earning opportunities to the neglect of their family obligations?

How Members Can Calculate Their Credit Union Dividends

DIVIDENDS ARE PAID ON \$5 units of shares in your share account at the end of the dividend period (\$78.75 in your share account would entitle you to dividends on \$75), based on the number of preceding consecutive months such shares were in the account during the dividend period.

This means you will increase your dividend as you add to your credit union shares regularly. In your credit union you are not paid on the lowest balance during the dividend period (unless you withdraw your savings during the last month before the dividend is declared).

Share dollar months (using fully paid-up \$5 shares) are a means of adding dividend units by the month as the \$5 units increase. In turn, withdrawals at the end of a dividend period may be more costly than a loan.

Since no dividend is paid on shares not in the account at the end of the dividend period, and because it is based on the preceding consecutive months—you start dividend calculations with the last month first.

In Example #1:

- Start with December. Dividends would be paid on \$75 (\$5 units).
- We call these \$75 "Share

Dollar Months" since the \$75 were on deposit 1 month or only 1/12 of a year.

- After each month's "Share Dollar Months" have been calculated in this manner, you can divide the share dollar months by 12 and you will have the number of dollars which earn dividends at the per annum rate of dividend announced by your credit union.
- The same formula applies for calculating semi-annual dividends.

Example #1:

Date	Share Balance	Share Dollar Months
January	\$ 5	5
February	10	10
March	15	15
April	20	20
May	27	25
June	34	30
July	40	40
August	47	45
September	54	50
October	62	60
November	70	70
December	78	75
		Total 445

Example #1 demonstrates how share dollar months increase with a steadily growing share balance.

Example #2:

Date	Share Balance	Share Dollar Months
January	\$10	10
February	20	10
March	30	10
April	40	10
May	50	10
June	60	10
July	70	10
August	80	10
September	90	10
October	100	10
November	10	10
December	20	20
		Total 130

Example #2 shows how the cumulative share dollar months are lost by a large withdrawal at the end of the dividend period. Members will often save money by borrowing during the last two or three months of the dividend period rather than to make a withdrawal from their share accounts and thus lose the dividend benefits which the additional share dollar months would have earned.

To determine your dividends, divide the number of share dollar months by 12, the number of months in a year. Then multiply the result by your dividend rate. The sum you have will be in cents.

Using Example #1 at a dividend of 3%
 $445 \div 12 = 37 \times 3 = \1.11

Using Example #2 at a dividend of 3%
 $130 \div 12 = 10.8 \times 3 = 32 \text{ cents}$

Do You Have Too Many Creditors?

This story may save you money and trouble

(Note "How to Tackle Multiple Debts" on page 12)

THE MUSHROOM-GROWN BUSINESS firms known as "debt adjusters", "debt pro-raters", and "debt-counselors"—have advertised in the newspapers and on the radio such stories:

"Get Debt Free—No Red Tape—Payments You Can Afford—No Limit to Amount".

"Stop Those Collectors—Avoid Garnishments—Save Your Job—Let Us Pay Your Bills."

Debt-counselors are not new. A number of them have operated from 10 to 30 years and enjoy a favorable reputation. Better Business Bureaus report waves of debt adjusting firms being formed periodically during the past 20 years. The firms that seemingly exploit people already in serious debt tend to disappear, and the better operators survive. The present wave of debt-adjusters is more extensive and has aroused a considerable amount of publicity and warnings to the public.

What is the Problem?

The lack of legislation leaves the door open for unscrupulous operations. Only four states and two provinces have passed legislation to regulate, license, or outlaw debt adjustment firms. Most of the present legislation was enacted recently.

What are the Complaints?

Here is what some of the clients of debt-adjusters say:

"They failed to come up with their agreement causing grave distress and black marks on our credit ... they did not notify our creditors soon enough, causing my check to be held up. Therefore we could not make our house payment or buy anything to eat. Their word has been no good, and has jeopardized my job and credit ..."

"Because my creditors will not accept this company, I had asked them to refund my money as they had paid no bills for me. They refused to return my money and yet had not paid any of my bills. We have since then paid the bills ourselves and now they have issued us a garnishment notice."

Samples of agency complaints

MONEY TROUBLES I I
LET US RELIEVE YOUR MIND
Group your bills in 1 easy payment
NO CO-SIGNERS NECESSARY
We can help you if you are worried
about wage assignments, collectors.
WE REDUCE YOUR CAR PAYMENTS.
Save Your Car—Your Job—Your Credit

NOT 7 OUT OF 10 BUT A LOT
use our services.
Get out of debt
One place to pay
20 years in Chicago

say: "a client was deliberately allowed to become so involved that ... legal services were provided by the attorney member of the pro-rating company and a bill for such services was added to the debts ..."

"... pro-rater had made deals with creditors to accept a portion of the debt as payment in full but collected the full amount from the debtor."

"... a debt pooling company was raided here several months ago by the Coutny Attorney's office and the promoters were charged with embezzlement."

Other complaints mention the debtor being sued for debt-adjustment fees; that fees are taken first or as soon as possible after which the debtor is welcome to withdraw from the plan; that the ability to counsel the debtor or coordinate creditors to the available funds is inadequate.

Favorable Comments

Other agencies are complimentary: "We have three collection agencies. They are members of the Chamber of Commerce ... We have never had a complaint on any of these firms, but we have received a number of ... complaints on outside firms ..."

"On the other hand, there are many reputable firms that operate satisfactorily to the public, and who charge only a reasonable fee for their services."

"We only have one credit management or debt adjusting firm ... (it) has operated in a business-like way and has not been the subject of any complaints."

Three Chicago pay-masters of large national firms indicated that debt-counselors had saved experienced employees from being dismissed due to garnishments. One paymaster said they offered payroll

deduction for about 25 employees on the average to one debt adjustment firm. He said the firm was very successful, and he felt by the time these employees had worked themselves out of debt—they seldom became involved again. This paymaster indicated that some installment sellers and some lenders were too efficient in promoting more debt. The labor union in one packing plant worked out an arrangement for referring garnishment cases to a debt-counselor. Six people had been dismissed because of garnishments in one week. The union president said that many jobs had been saved with the cooperation of the company and the debt-counselor.

One staff member of THE CREDIT UNION BRIDGE reports a visit to the office of a debt-adjuster:

"I picked a more prominent ad in the telephone directory. The location was an old office building. The office was sparsely furnished, and the walls bare except for two documents. One was a 1951 Brokerage License, and the other a Notary Public certificate.

"Two girls were working in the reception room typing, answering the phone, and greeting people who came into the office. Two men were working in partitioned sections at the back of the office. One was elderly and one was quite young. All of them seemed very suspicious of me from the time I entered the office. I waited an hour to see the manager. The clientele calling at the office appeared to be from the lower income brackets. The girls were very secretive—they knew nothing about rates and had no literature to explain the service. I did succeed in getting a printed application form on which there were spaces for personal information and debts. The girl seemed afraid even to give me a copy of the application. It had spaces not only for the address but also for the apartment floor, the number of rings for the apartment, and the rings for the landlord's apartment.

"The girls answered all phone calls, and then went back to talk to one of the men about them. The men

refused to talk directly with any of the incoming calls during this visit except one. It seemed evident that many of the calls were from complaining creditors and debtors. One call was from a creditor with a list of poor payers. The manager of the office was not too busy for this call.

"When I talked to the manager, he would not offer any information. He said he could not quote rates until he looked at the list of creditors, etc."

During brief stop-overs in Salt Lake City and Omaha, another BRIDGE staff member called the credit bureau, attorneys, business executives, and small loan company operators to inquire about debt-adjusters. "In Salt Lake City a couple of fly-by-night operators had discontinued operations. One firm was still operating. All contacts spoke favorably about this firm, except two who were not aware of debt-adjusters. The manager of this office said he found it difficult to win the respect of the creditors. He said the firm keeps 10% of all payments in addition to an initial fee. Pro-rata payments are sent to all creditors monthly, and all are notified if the debtor fails to keep the payments current."

"In Omaha, Nebraska, the seven merchants contacted had no local complaint. A jeweler said several accounts had been paid off with regular payments, and that he had received the full amounts. He mentioned difficulty, however, with a case in which the client had moved to another city and had used a debt-counselor in that locality.

"The credit bureau said they had no complaints on the local debt-adjustment firms. One had operated over two years. The manager had a fine reputation. Another firm from outside the city had operated locally about seven months and no complaints had been registered to date. A local attorney, who had handled debt-adjustment problems for many years, enjoyed an excellent reputation in the community.

"The personnel of the debt-counseling offices were found very willing to answer questions, show examples of operations, furnish contracts and forms. One had a client with 67 creditors and a folder full of receipts. The balance of the debt had been reduced from over \$3800 to \$1900 at present.

"The cost in one case was a \$25 initial fee or 12% of the total, whichever was greater. In another case an initial fee of \$35 was charged plus 10% of the debts, with

a few exceptions. No fee is charged for handling house payments."

Reports on costs in the United States and Canada vary from 7½% to 50%. The common cost for service seems to be between 10% to 20%.

The following reproduction gives you a chance to note some of the terms and costs of a debt-adjusting firm that has operated for over 30 years. The client of this firm had 4

the unpaid balance of their loans against death and total and permanent disability of the borrowers without additional cost.

Steps to Consider with Multiple Debts

1) Try a do-it-yourself program (see article on page 12).

2) See your credit union about a consolidation loan.

If you cannot obtain credit union

NOW, THEREFORE, IT IS AGREED:

1. That the said client shall make regular payments to the _____ Corporation in the amounts and on the dates stated in the schedule contained herein.
2. THE SUMS OF MONEY SO PAID BY THE CLIENT SHALL BE DISTRIBUTED BY THE _____ CORPORATION TO THE CREDITORS OF THE SAID CLIENT HEREIN SCHEDULED, OR WHICH MAY BE ADDED TO SAID SCHEDULE BY MUTUAL AGREEMENT AFTER THE EXECUTION OF THIS CONTRACT.
3. Such funds shall be distributed pro rata in proportion to the amount of the claims of the various creditors, except, however, that the said client authorizes the _____ Corporation to make such distribution as it may see fit in the settlement of such claims or obligations as are most pressing, and the settlement of which is most urgent.
4. THE DECISION OF THE _____ CORPORATION AS TO THE DISTRIBUTION OF FUNDS TO CREDITORS SHALL BE FINAL.

IN CONSIDERATION of the services rendered by said _____ Corporation and the fee hereinafter to be paid by the said client, the said client agrees to pay the _____ Corporation upon the execution of this agreement a sum equal to _____ AS _____ of the said _____ Corporation for its services shall be \$15.00. IN ADDITION thereto, the said client agrees to pay to the _____ Corporation _____ per month for the purpose of defraying the expenses of writing letters, making calls, delivery of checks, postage, telephone calls, etc., and also reimburse the _____ Corporation for bank charges on a basis of 6 cents per check.

Our fee is a flat charge of \$15.00 per month. This is not a party payment. We will not accept payment of our fee until you have paid your bills in full. In addition to the above charge there is a 1½% per creditor charge to defray the cost of checks, stamps, etc. We know that you are anxious to have your bills paid and we are anxious to be of help

creditors with obligations totaling \$851. If you calculate 15% of this amount, you get \$127.65. If other lenders are on your list of creditors, you may find their interest rates must be paid in addition to the cost for debt-adjustment services.

A loan from a credit union for \$851 repaid weekly at \$15.84, including interest at 1% per month, would be paid off in 60 weeks. The interest cost would be \$59.31. With few exceptions credit unions insure

help, contact your Better Business Bureau, credit bureau, or Chamber of Commerce, to check the reputation of a debt-counselor. Also check: Does the debt-counselor take legal action to collect fees from clients? Does he collect only a percentage of his fee out of each payment or does he collect his total fees as soon as possible? You may choose to contact your local Family Welfare Agency, Legal Aid Society, or reputable attorney.

Wise Men Say

•• Life is a grindstone and whether it grinds a man down or polishes him up depends on the stuff he is made of. —Josh Billings.

•• The test of any work of art is its communication. If there is nothing communicated, there is no worth in it. —Pearl S. Buck.

•• What light is to the eyes—what air is to the lungs—what love is to the heart, liberty is to the soul of man. —Robert G. Ingersoll.

•• Ambition is not a weakness unless it be disproportioned to the capacity. To have more ambition than ability is to be at once weak and unhappy. —George Stillman Hillard.

•• Every tomorrow has two handles. We can take hold of it with the handle of anxiety or the handle of faith. —Henry Ward Beecher.

•• A fool always finds some greater fool to admire him. —Boileau.

An Extra Dividend

THE JANUARY
MEMBER ISSUE
OF
THE CREDIT UNION BRIDGE
IS AN EXTRA DIVIDEND
FROM YOUR CREDIT UNION

How To Tackle Multiple Debts

WHEN YOU ARE in a financial dilemma—that is the time to go to your credit union manager or loan counselor, just as you go to a doctor with illness. He has observed and helped with many problems and solutions—you have no monopoly on problems except in keeping them to yourself.

Credit union officials attend local educational meetings, area institutes, schools, and read published studies, facts and stories of experiences. They realize that some debts are unavoidable, that everybody can make mistakes, and that all can be worked out with adjustments, cooperation and effort.

Three Steps to a Solution

- (1) What are your obligations?
- (2) What repayments are practical?
- (3) How can you get a consolidation loan or arrange pro-rata payments (monthly installments in proportion to earnings) with creditors?

Your problem may be simple. Let us use an actual example to illustrate how to solve it.

Jerry Taylor could no longer put off creditors with promises. He began with number one. *What are my obligations?* After three days his original list of 14 creditors grew to 30, and the total of his debts was a little over \$3,500. He listed creditors, addresses, telephone numbers and verified amounts. He included relatives, associates, installment creditors, charge accounts, loan companies, doctor's and hospital bills.

Next, he tackled problem number two. *What repayments are practical?* Neither Jerry nor his wife had any expense records. But a careful study of clothes, for example, for work, dress, school, summer, winter, night, and day for the entire family—provided a sound estimate. A look at budget studies brought up forgotten items of expenditure:—dentist; glasses; haircuts; home repairs; auto repairs; gas and oil; license; insurance; depreciation; anti-freeze; gifts; Christmas; vacation; recreation; union dues; church pledges; baby-on-the-way, etc. This took some time. They forgot cigarettes, entertainment, baby-

sitter, and recreation at first.

After several evenings not only did they come up with a practical budget, but they realized how they got into debt—how seemingly unnecessary expenses had grown out of proportion to income; how alternative possibilities of handling essential expenses had been carelessly considered; how overspending was covered up in a maze of charge accounts, loans, and refinancing. They decided to put the family's needs in order of importance, to divide the paycheck so that first needs would be met first, and to set aside a reasonable portion of the monthly earnings for debt payment.

The family found that they could do without the car and sold it to reduce their debts to a little over \$2,600. Thus they lowered expenses and increased the amount available to pay off obligations.

With the many emergency, contingency, and replacement expenses such as: dentist, Christmas, repairs of household appliances, health, entertainment, and a seemingly never ending list—they discovered some money must be set aside in a special savings account for specific reasons, and although it was not spent it was so considered, so that the money could be withdrawn and delivered as the items came up.

Each payday the check was di-

vided as agreed upon and the money assigned to the person responsible for spending it.

What about question number three? *How can I get a consolidation loan or arrange pro-rata payments with creditors?*

After asking numerous questions Jerry and his wife decided to save the cost of interest. So they contacted the remaining 29 creditors, laid their plans on the counters and explained their financial embarrassment. The couple suggested that they divide a reasonable portion of their income each month proportionately between the group of creditors. All but four of the creditors agreed to cooperate. The credit union was able to get these four creditors to cooperate as long as monthly payments would continue.

What is the pattern for solving multiple debt problems?

Number one. Face the facts, list debts, verify amounts.

Number two. Determine the amount available to apply regularly on debts. You may need to list family expenditures in order of importance to consider a reduction in the number of items and the amount of each. Provide a plan to divide each pay check; for current expense, for irregular expenses, for savings account to cover contingency expenses, and for the amount to be applied on obligations.

Number three. Set up a plan of payment, either thru a consolidation loan from your credit union or of pro-rata payments to creditors.

The Value of Stupidity

IT WAS SAID THAT one of General Grant's staff officers during the Civil War was known far and wide for his stupidity. People wondered why the General kept such a dumb fellow on his staff. It seemed quite a mystery. But one day an old personal friend of the general visited the headquarters and heard about this. Later he said to the General:

"Tell me, Grant, why in the world do you keep such a stupid fellow as Lieutenant Colonel Blank on your staff? Everybody is puzzled about it."

"Oh," replied the General, "Lieutenant Colonel Blank is a very valuable officer. We could scarcely get along without him. You see when we are issuing a very important and complicated order we first give it to him to read, and if he can understand it, we know anybody can understand it, and so we issue it."

—Col. Edward Davis, Santa Barbara, California.



HOW LOAN PROTECTION INSURANCE PROTECTS YOU

Who gets Loan Protection Insurance?

ANSWER:

In credit unions participating in CUNA Mutual's Loan Protection insurance plan most loans are insured up to \$10,000 when made by members who meet the health and age requirements.

What are the health requirements?

ANSWER:

Any member who is "physically able to perform the usual duties of his livelihood" is automatically insured. For members who work for a living, this means any loan you take out while you are on the job is covered. If you should get a loan while you are home sick, it would still be insured if there was a reasonable likelihood of your returning to work soon. The only loan not covered would be a loan made to a member who was unable to work and not likely to return within a reasonable time. For members who do not work for a living (housewives, minors, retired members) "the usual duties of his livelihood" is interpreted in terms of the usual daily routine.

What are the age requirements?

ANSWER:

Your loan is insured against death up to the age of 70, against total and permanent disability up to the age of 60.

What is the limit on the size of the loans insured?

ANSWER:

\$10,000 (exceptions in a few states).

Who pays for Loan Protection insurance?

ANSWER:

The credit union. There are no individual charges or fees.

Do borrowers have to apply for Loan Protection insurance?

ANSWER:

No, it is automatic.

Do borrowers have to take medical examinations or sign statements about their health?

ANSWER:

No.

When does insurance begin on a loan?

ANSWER:

As soon as the check has been

drawn and the transaction entered on the books.

Are co-makers insured?

ANSWER:

No. Only the borrower is insured.

How are claims paid?

ANSWER:

When a member dies or is disabled, CUNA Mutual Insurance Society sends a check to the credit union for the amount of the loan plus a certain amount of delinquent interest.

Is there a war clause or aviation restriction in Loan Protection insurance?

ANSWER:

No.

What exactly is disability?

ANSWER:

Disability means being cut off permanently from the possibility of making a living.

If my wife and I have a joint account, who is insured?

ANSWER:

Whichever of you signs the loan application first is the one insured. Please remember, it does not matter how your names appear in your passbook or on your note. The insurance is placed on the name that appears first on the loan application.

What happens to property pledged as security?

ANSWER:

The insurance company has no claim against property pledged as security. When the claim is paid to the credit union, the credit union is then free to release the property to its rightful owner.

Reproduced from the October, 1955 issue

★ IT'S PART OF OUR AMERICAN TRADITION TO WORK THINGS OUT TOGETHER ★



How today 10 million of us work together to make our dollars go further

Working things out together in the American tradition has enabled certain groups of people in our country to secure a remarkable degree of protection against money troubles. They belong to credit unions.

A credit union is a group of people with some common bond, such as employment in the same company, who operate their own borrowing and savings system under a plan supervised by state or federal agencies.

The members save their money together a little at a time whenever they can. A good return is paid on the money. Loans are made at low cost.

But the greatest service of the credit union is to provide a ready source of understanding credit. A means by which people working together can improve their living standards without getting into financial difficulties.

THE TOWN MEETING. Every man had a voice in matters when cowboys of early America gathered to work out common problems for the benefit of all.

The entire credit union idea is democracy in action—people working things out together with dignity of spirit. Management, labor, church and government all heartily endorse credit unions. Anyone employed by a company with 50 or more employees, or belonging to a church or other group can help get a credit union started. (In some areas 100 or more are required). One person, informed about credit unions, can help himself and others.

Get this free booklet. Just write and say, "Tell me more about credit unions." Sign your name and address and mail to Credit Union, Dept. 3, Box 57, Madison, Wisconsin, U.S.A.

as advertised in

Reader's Digest

How Credit Union Helped Ontario Farmer

(Reprinted by permission from THE ENSIGN)

by Norman Riddiough

MARTIN JANSEN, BUSY IN HIS FIELDS, straightened his back, wiped the perspiration from his brow, and wished he could wipe away the problem on his mind just as easily. To Martin the problem had been a worrying one. After four years of hard toil in which he had been slowly pulling himself out of debt—he had been asked to give up many precious working hours to become an officer of his local Dutch Credit Union, one set up specially in the Diocese of London to help Dutch immigrants like himself.

Now You Must Help Them

He knew where his duty lay—it was just the time which he felt he couldn't afford. But when he drove his tractor into the barn that night—a tractor bought with money from the credit union—and walked into his small frame house—bought too with a loan from the credit union—he knew he could not refuse to serve his fellow men. "They have helped you," said his wife Anna. "Now you must help them."

So Martin Jansen became a member of the credit committee of the Dutch Credit Union.

When Martin, at 49, first came to Canada in 1951 after selling his 15 acres in Gelderland province, the credit union had just been formed in the Diocese of London. Like other Dutch immigrants he worked his year as a laborer on a Canadian farm, gathering rapidly the experience which would enable him to branch out on his own. During that time his two sons had worked in factories in London, and the money had been pooled and placed in a family pot.

At the end of 1952, when Martin was ready to buy his own farm, he had accumulated \$6,000. Part was money he had brought with him to Canada. When he found a farm to suit his needs, 100 acres of rolling downland in Middlesex county near London, he sought the aid of the credit union. The owner of the farm promised to take the first mortgage, leaving a balance of \$9,000, on a property selling for \$16,000.

Members of the credit union—his own fellow Dutchmen who had been

in Canada since the war—went to look over the farm. They agreed that Martin should put \$5,000 of his own money as down-payment, keeping the rest for equipment and stock and as a source of ready money in case of family trouble.

Good Character Established

They checked into his experience as a laborer on a Canadian farm, looked carefully into his family background and made sure that Martin Jansen was a good risk.

After several weeks he received a loan of \$4,000.

The credit union also loaned him money for four cows, for fertilizer, and for a much-needed tractor. Martin used up nearly all his remaining thousand dollars in contributing a third of the price for these three items.

Martin Jansen was now in business. His credit union loan on his house was arranged so that the payments would grow larger over the eight-year loan period.

After a family conference, it was agreed that the eldest son Pieter should continue to work in the factory in town and live at home, handing over his wages into the family pool. The second son Willem was to help his father on the farm. Martin's wife joined the local Women's Institute and there learned that Canadian farmers' wives make an additional contribution to family savings through egg money.

Pieter too surprised his family by asking his father for an acre of land for himself. He bought gladioli and tulip bulbs, worked his land in the evenings, and each Saturday in spring and late summer appeared at

Walter Hopkins Regrets

"Didn't Start A Credit Union 20 Years Ago"

Another experience of a volunteer organizer

My first contact with credit unions was through the radio program of news commentator Gabriel Heatter in May, 1953. I had listened to his talks almost every night for some time on a local station. At last I began to get the idea that we needed just such an organization here. I felt that it might be the means of some of our people breaking away from a long-standing habit of chain borrowing (myself included). This was a sort of round robin thing with interlinking co-makers. I suppose I was motivated by a desire to see this habit broken up. I had been a victim of the same vicious circle for the past 20 years.

So I sent the post card that paid off with the fastest growing credit union in the State of Virginia at this time. My card was referred to Garland Keeling, Managing Director of the Virginia Credit Union League, who in turn referred it to Dan Kiley in this city.

At my first meeting there were 8 present including Mr. Kiley. At the second meeting we had talked 22 into attending and we organized with Mr. Keeling in attendance. After two years of operation we have 564 members and well over \$125,000 in capital. We have loaned upwards of \$122,000 to our members.

I organized the Portsmouth Star Employees Credit Union, Inc., in our neighbor city and they began business about a year ago.

I am 49 years old and my one regret is that I did not start a credit union 20 years ago. I am sure that I and many of my fellow printers and others on our payroll of some 600 would have been much better off.

—Walter H. Hopkins, President, Norfolk Newspapers Credit Union.

the city market with bunches of flowers for sale. With money received he went to the credit union himself, and received a loan for a truck which he turned over to the family for use about the farm.

A Handy Partner

Last year the Jansen family ran into trouble. Pieter severed a tendon in his wrist at the factory and was off work for two weeks; two of the precious cows died through illness; bad weather spoiled some of the grain. The family income slumped with a vengeance. Luckily, Pieter's hospital bills were covered by group hospitalization and surgi-

cal insurance which the credit union had arranged through Middlesex Medical Services.

Martin went back to the credit union and explained his misfortunes. Payments on his loan were immediately cut to meet his needs.

"I don't know what I would have done if I hadn't received this help from my fellows," he explained.

Martin Jansen is not alone in receiving help from the Dutch Credit Union. It has 1,150 members throughout the diocese and is split into eight sub-divisions each with its own credit committee and local officers.

Average People Are Solving Financial Problems

By Jerry Voorhis

WHEN A FAMILY BREAD-WINNER DIES or a child goes to college, or the washing machine breaks down, or illness strikes suddenly, the average family needs a source of credit to tide it over the crisis. Credit unions have grown out of this need. Before the introduction of the credit union legitimate banks were not, generally, willing to make small loans on the personal notes of people having little security—the very people whose need for the credit was the greatest. The alternative was the finance company which often charged a high rate of interest, or the illegal loan shark for whom the sky was the limit.

The credit union idea injected into this situation was the soul of simplicity and the essence of cooperation. Although no one family had any chance of bringing down the interest rates of finance companies or of inducing banks to provide a small loan service, a considerable group of such families—even poor ones—did have means of solving the problem if they joined together to do so. This was done by combining the need for credit with the practice of regular savings. By utilizing the people's own savings, it became possible for the whole group to meet the credit needs of individual members as they arose. If enough people in a group are willing to save small sums in a credit union, then when any one of them is in need of a loan he can borrow from his own group at reasonable rates, repay his own group, and receive his share of the earnings.

The membership of a credit union is built around some common interest of the group such as the same employer, membership in the same church, labor union, or other organization, or residence in the same neighborhood. All credit un-

ions are supervised and examined by either federal or state authorities, their investments checked and limited to securities that will assure financial soundness.

In 1921 there were only 199 credit unions in the United States. At mid-century, credit unions in the United States were more than 10,000 in number with a membership of about 5,000,000 and assets of close to \$1,000,000,000. One thousand and new credit unions were organized in the year 1950 alone.

—from THE COOPERATIVES LOOK AHEAD.

Loan Protection Benefits

(A wife and two widows write about loan protection benefits)

WHEN MY HUSBAND LOST HIS JOB on account of his health we had a financial problem that looked insurmountable. Words cannot express our feelings when we opened your letter and found our note marked "Paid" and the lien on the car certificate of title "satisfied".

***My husband has been a member of Peoples Credit Union since 1947 and we received a good dividend each year since then. Now your letter tells me our savings were increased \$1,000 by insurance when my husband passed away last

CHECK YOURSELF on these basic life insurance needs!

This check list was prepared for you by the personal Counselling Department of CUNA Mutual Insurance Society.

You can get free advice and information any time on any life insurance problem by writing for the Counselling Service. Use the coupon below.

No agents will call. CUNA Mutual employs no agents, pays no commissions, has low overhead, writes only basic low-cost types of insurance. Hence the rates are low.

CUNA Mutual is owned entirely by the policy-owners (credit unions and credit union members); therefore, life insurance is sold only to credit union members.

- ☐ Would your present life insurance provide at least 2 or 3 years' income to your family? If not, you are underinsured.
- ☐ Is your budget tight? Then to protect your family you should buy renewable term insurance. This plan will give you twice as much protection as permanent level-payment plans for the same price.
- ☐ Is your house mortgaged? You can get special insurance to pay the mortgage—decreasing term insurance.
- ☐ Can you afford ample protection at level-payment rates? Ordinary life costs more than renewable term to begin with, but the rates never go up. Ordinary Life develops cash, reduced paid-up and extended term insurance values.
- ☐ Do you want insurance that will pay you a lump cash payment after a certain number of years or provide you with paid-up insurance? Then you want Extra-Ordinary Life.
- ☐ Do you check your insurance program every two years? Your needs change when you marry, when children are born, when you buy a house, when you change jobs—many times in your life.

Send Today!

- ☐ Please send me the complete rate book.
- ☐ Please send me a counselling form so I can get your free evaluation of my insurance needs.

1-56

CUNA Mutual Insurance Society
MADISON, WISCONSIN or HAMILTON, ONTARIO

NAME _____
ADDRESS _____
CREDIT UNION _____

month. My heartfelt thanks to you and others that have made this possible.

***I cannot tell you how much I value membership in Peoples Credit Union. When my husband passed away I thought that was the end of everything. When your letter came telling me of my increased savings account and that our loan was paid, my courage to face the future was restored. I did not know about this insurance or that there was an organization like the credit union that looked after its members' interests so completely.

—PEOPLES CREDIT UNION HOME NEWS,
North Miami, Florida.

Why the Boy Was Stopped From Selling Watermelons

THE FATHER OF J. C. PENNEY, the chain store magnate, did not pamper his children. From the beginning he taught them to be self-supporting and self-respecting. The natural selfishness of youth was not excused by him. He insisted that his son, Jim, must think in terms of other people's rights and privileges.

Mr. Penney tells a story to illustrate how his father taught him. "On four acres which my father let me use," he says, "I raised a crop of watermelons. When they were ripe I took them with great business acumen, I thought, to the very spot where the most people would be gathered at a certain time. That was the county fair, and I parked my wagon right beside the entrance, calling my wares to the people as they came in and out. It proved to be a wonderful idea—my watermelons were selling like hotcakes, when along came my father, and ordered me, in his firm and quiet way, to take my wagonload of watermelons home. Again the bitter protest, but it was useless. I went, with my mind again full of questioning—why? why? why?"

"The answer came when I arrived home. My father explained to me that the county fair was a business venture—all who had booths and exhibits there had to pay a fee. I was 'horning in' without paying my way. I was taking advantage of what other people had planned and worked for, riding, so to speak on their coat-tails. 'Would you,' asked

A Solution For An Old Problem

HIGH INTEREST RATES continue where there is no normal source of credit open to people, despite the fact that a great need for such credit exists.

In the old days interest rates were fixed by the need of the borrower and the greed of the lender. It was assumed that the average man would not repay his loans. In Greece and Rome, and later on all over, it was figured that the lender took such risks that he must be compensated with high interest.

The need eventually produced an idea. It was very simple. The small borrower must look to himself and to other folks in the same boat with him. He must lift himself by his own bootstraps. Men and women of small means must combine their little into a much and, from the much, make loans to each other without usury. They must manage their own show, each member of the group having a single vote. The idea, in perfected form, produced an organization for the many, made possible by their deposits in it and self-managed. They called the idea "the credit union."

—Roy F. Bergengren.

my father, 'like it if you had paid for a concession, and somebody else got the benefits without sharing the cost?' I had to admit I wouldn't."

—Reprinted from THE CURTIS COURIER.

Credit Unions: Self-Help Credit

(An explanation by the Federal Reserve Bank of Philadelphia)

CREDIT UNIONS ARE DIFFERENT from most other kinds of financial institutions. But unless you look at them closely it's hard to put your finger on just what the difference is. Credit unions do many of the things other institutions do. They take in savings, make loans, pay dividends. The basic idea is not particularly unique—savers buy shares in the credit union and borrowers draw on these savings. The shareholders own the credit union, manage its affairs, and divide the profits among themselves. In these respects credit unions are much like savings and loan associations, and even somewhat like mutual savings banks and mutual insurance companies.

But credit unions differ from other financial institutions in two important respects. They are made up solely of groups of people with a common bond—people who work in the same company, have the same religion, live in the same community, or have something else in common which gives the group a sense of unity. And they differ in the basic objective of their activities; they are not in business for a profit. They are cooperatives and have behind them a desire on the part of their members to help one another. They are often organized by one or a few people fired with enthusiasm for—and willing to give their time without pay to further—the principles of credit unionism.

—BUSINESS REVIEW, Federal Reserve Bank of Philadelphia.

CARE Food Crusade

The CARE Food Crusade is endeavoring to raise funds to ship 44 million pounds of United States agricultural surplus to the needy in about a dozen countries throughout the world. The Food Crusade actually helps twice—it reduces the surplus which has a depressing influence upon American agriculture, and at the same time, makes maximum constructive use of those foods where they are needed most.

One dollar contributed to the Food Crusade provides \$7 worth of food — 22 pounds — delivered to people who are hungry in remote areas of the world.

It is an opportunity and a privilege to participate in the Food Crusade.

Send your \$1 (worth \$7) to CARE, 660 First Avenue, New York 16, New York.

Wise Men Say

- He who has truth in his heart need never fear the want of persuasion on his tongue.
- It may make a difference to all eternity whether we do right or wrong today. —James F. Clarke.
- He who will not reason is a bigot; he who cannot is a fool; he who dares not is a slave. —William Drummond.
- I'm careful of the words I say to keep them soft and sweet. I never know from day to day which ones I'll have to eat. —LAY O' THE LAND.
- One machine can do the work of fifty ordinary men; but no machine can do the work of one extraordinary man.

100% IS SAFE!



More and more credit unions realize that their members deserve the protection of the "million dollar" bond—100% Blanket Bond No. 5761

CUNA BONDING SERVICE MADISON, WIS. HAMILTON, ONT.

How Herb Collins' Widow Became A Credit Union Builder

WHEN CANADA WORKS Credit Union received its charter in 1942 one of its earlier members was Herb Collins. Herb worked in the East Mill, but was pretty well known in both mills and respected by all. We did not have payroll deductions at that time, but nearly every pay day saw Herb making his deposits at the credit union office.

Mrs. Collins Puzzled

Like all married people who do not have large incomes, the Collins' had to meet the bills that crop up regularly. For the larger ones, Herb turned to the credit union for a loan.

Mrs. Collins was puzzled as to where her husband procured this money at such critical times, and had fears and visions of money-lenders clamping down on them some day, and one day after he had handed her a sum of money to purchase some article that she had said she needed, she said, "Herb, where do you get this money that you always manage to produce just when we need it so badly?"

Mr. Collins had never told his wife about the credit union, so now he told her all he knew about it—the savings and loans; about the insurance on both, and ended by saying, "Mona, if you ever get the chance to join a credit union, do so."

Tragedy Strikes

Life continued fairly smoothly in the Collins family until January, 1949. Then tragedy struck. Mr. Collins passed away after a short illness. Many of our members will remember this sad event; quite a number attended the funeral to pay their last respects. Shortly afterwards, Herb's savings and the insurance on them was handed over to Mrs. Collins.

Naturally, this was a turning point in the life of Mrs. Collins. In 1950 she was working at Tuckett's Tobacco Company, when someone approached her, saying the employees were thinking of starting a credit union, and would she support them. This recalled the words of her late husband, "Mona, if you get a chance to join a credit union, do so."

Tobacco Workers

Mrs. Collins was able to tell them something about the benefits to be obtained by belonging to a credit union, and when they heard that she knew something about them, they eagerly accepted her offer to help. It wasn't long before she was taking an active part in organizing.

Meetings were arranged — a charter applied for — the name, "Tobacco Workers Credit Union, Limited," was chosen. After the charter was received and the election of officers held, Mrs. Collins found herself appointed secretary.

She had no sooner accepted the job when it was made extremely difficult for her — the employees went out on strike. Did this deter these enthusiasts? No, they went right on with their plans, recruiting new members, accepting deposits and making loans, despite the fact that no one was working.

Wins Acclaim

This was starting out under a handicap with a vengeance; besides recruiting, they had to find funds to meet the loans. This was done by contacting other credit

unions and getting loans from them. The perseverance of George Fuller, president, and his co-workers, including the indefatigable Mrs. Collins, won out.

Today, the Tobacco Workers Credit Union is a thriving concern, and a lot of its success is due to the lady whose interest was aroused when her husband obtained a loan from Canada Works Credit Union. Even then, if she had not asked Herb where he was getting the money, she may never have known about credit unions, and the movement would never have had such an ardent booster.

—Stelco EYE OPENER

"The Real Point . . ."

" . . . we do not judge the success of a credit union the way we judge the success of a bank or a grocery chain. Bigness is not the point, dividends are not the point . . . the real point is the service we give each other.

"A bank may reject loan applications because it feels that the time calls for retrenchment; it may decide that an investment in bonds is wiser at some particular time than an investment in consumer loans.

"A credit union cannot make such decisions. One that puts such considerations ahead of its members' needs is no longer a service organization."

—J. Orrin Shippe, Manager CUNA Advertising and Promotion Service.



Job Opportunities in the Bureau of Federal Credit Unions

CAREER POSITIONS as credit union examiners are available in the Bureau of Federal Credit Unions. The positions offer a unique opportunity for interesting and important service. The Bureau is responsible for the chartering, supervision, and examining of Federal credit unions in the United States, Hawaii, Puerto Rico, Alaska, Virgin Islands, and the Canal Zone.

The positions require exercise of independent judgment and offer opportunities for contact with the public. For example, the examiner while supervising and examining credit unions often meets with leaders in industry and various types of organizations. The job provides excellent chances for advancement and working conditions which allow the individual's ability and initiative to be clearly and promptly demonstrated. It is a position that helps improve the economic well-being of both individuals and our country, and one in which the satisfaction of accomplishment and the recognition of leadership can come quickly.

The vacancies for the GS-5 (\$3670 a year) grade level are primarily on-the-job training positions, combined with a substantial amount of productive work. Satisfactory completion of the training program at this grade level for 6 months warrants promotion to the grade of GS-7 (\$4525 a year). Thereafter, the examiner becomes eligible for promotion to higher grade field positions and in Washington, D. C. If an applicant has the proper qualifications, original appointments may be made at grade GS-7.

The applicants should have at least three years experience in performing accounting or auditing duties or have completed 4 years of study in a school above high school level, provided at least 24 semester hours are in accounting.

Other benefits available to employees of the Bureau are annual salary increases, retirement benefits, generous annual and sick leave, low cost Government life insurance, credit union membership and benefits under Federal Employees' Compensation Act.

More complete information may be obtained by writing to the Bureau of Federal Credit Unions, Department of Health, Education, and Welfare, Washington, D. C.



COPENHAGEN, whose shops and gay lights make it the "Paris of the North", is climax of CUNA Tour.

Credit Union AMBASSADORS on

1956 CUNA EUROPEAN TOUR

You, too, can be an ambassador while you enjoy the trip of your life by joining the 1956 CUNA Tour.

In his official report of last year's tour, World Extension Department Director Olaf Spetland noted that the tour members "were as good ambassadors for the credit union movement and their country as anyone I have seen. They all seemed to enjoy the tour and were proud of representing the credit union movement."

As in previous years, the CUNA Tour members will not only enjoy memorable visits to famed European cities and the best of sight-seeing arrangement (including orchestra seats at the fabulous Folies Bergere in Paris). They will also visit with, confer with, and be wonderfully entertained by credit union

and co-operative leaders. No other tour could offer credit union people such an opportunity for international friendship and understanding.

The Tour will again spend two days in Bonn as the guests of the Raiffeisen and the Schulze-Delitzsch societies which pioneered our credit unions, and will make official visits in other cities. Here are some typical comments by last year's tour members: "I had a very enjoyable time and was very pleased with all arrangements." "It was a wonderful tour, very ably conducted." "I enjoyed it very much."

Suggestions of past tour members are being used to make the 1956 tour better than ever. For example, more time will be spent in Switzerland.

Send coupon today!

World Extension Department
Credit Union National Association
Madison 1, Wisconsin

Please send me full details about the
1956 CUNA Tour

Name _____

Address _____

CUNA Tour HI-LITES

LEAVE NEW YORK JULY 9
RETURN NEW YORK JULY 30

VISIT:

Glasgow	Milan
London	Lucerne
Paris	Stuttgart
Rome	Sod Godesberg
Florence	Bonn
Genoa	Copenhagen

PRICE \$979

have you got the right auto insurance for 1956

?



Have you got the right kind of coverage? Are you protected against property damage and bodily injury, the two biggest disaster risks?



Are you dealing with a company that respects small claims and has a fair attitude on cancellations?



Is your insurance strengthened by the bargaining power and prestige of 1,000 credit unions?

Dear Credit Union Member

Your credit union can protect you on auto insurance as well as on loans and savings.

Several years ago, credit unions worked out an auto insurance program for their members.

One reason we got into this was that many credit union members were in a dangerous position. They were not getting the right insurance. Too often they were protected only against collision and other damage to their own cars. They were not protected against the staggering claims that come under property damage and bodily injury -- claims that can mean a lost license and years of financial strain.

Another reason we got into auto insurance was the fact that most members want to pick up insurance at the same time they pick up their auto loans.

But the main reason was this: we figured we could get better insurance working together. We thought with massed buying power we could pretty well guarantee our members reasonable rates, service in the true credit union spirit, and fair attitudes on small claims and cancellations.

We picked a top-rated company to do business with -- Employers Mutual. They have a record of high dividends and good service. We have worked out a happy relationship, and Employers Mutual has been extremely fair in its dealings with credit union members. Almost 1,000 credit unions are in this program. This is a lot of protection. We think it is the best deal you can get.

When you buy your next car, or when your present insurance comes up for renewal, let us give you the facts.

Cordially

Cuna Auto Insurance Program



The credit union auto insurance program was established by mutual agreement between the Credit Union National Association and the Employers Mutuals of Wausau, Wisconsin. Nearly 1,000 credit unions take part in this program. This wholesale bargaining approach to insurance is your best protection. You are insured by a top-rated company and doubly protected by the prestige and reputation of the organized credit union movement.

FREE REPRINTS of this ad are available to all credit unions in the CUNA Auto Insurance Program. The reprints carry, in the signature position, the words YOUR CREDIT UNION instead of CUNA Auto Insurance Program. Mail them to your members with your quarterly statement or other mailings. Order your reprints now from CUNA Auto Insurance Program, Madison, Wisconsin.

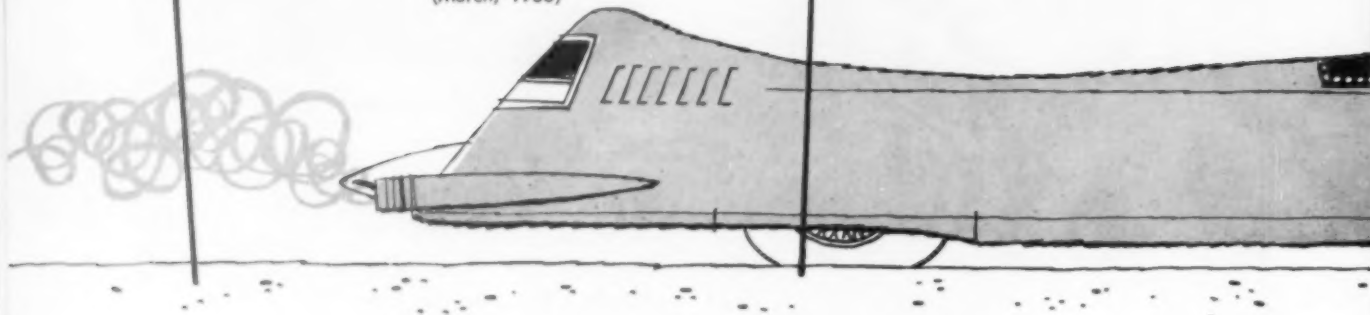
The Mysterious Millionaires...

By John J. Ryan

reprinted with permission from

THE KIWANIS MAGAZINE

(March, 1955)



SHE MANAGES to look smart all the time. He seems to dress well, has a late model car and they get out now and then for a dressed-up evening in town, complete with dinner and the theater. Yet you just know they have only the same amount of money coming in that you do.

That young fellow you met at a party. He's only a junior statistician, and even if he happens to be an extra good one you just know he can't have the kind of income to be in the stock market. Yet he is. And those newlyweds. Both come from modest surroundings. How did they swing a house like that? How do they do it?

Are all of these people mysterious millionaires? Perhaps some wealthy old aunts send fat checks monthly. Or even something sinister is involved. Otherwise how could they do it?

Actually they have no secret. Far from being mysterious millionaires they are pretty ordinary folks. But they do not let that force them to live like paupers. They combine a little imagination with a lot of common sense and thus manage to live better than most. And there is nothing new about their methods either.

Years ago a favorite O. Henry short story concerned a character with a menial job who once a month dressed up in a top hat and tails and blew his whole month's pay in being a "mysterious millionaire" at a local night club. He wasn't earning any more than the doorman or the garbage collector. The difference was he knew what he wanted his money to do for him and he concentrated on that.

The mysterious millionaires of today are not careless with their money. On the contrary, they handle it better than most. They get the maximum out of money; they make a few dollars provide them with the pleasures or comforts that some others consider reserved for the wealthy. They have developed a special talent—they know how to spend.

That is the secret money managers, investment counselors and experts who write books on budgeting have been trying to get over to people whose money "just seems to melt away."

The late J. K. Lasser, famous tax expert and money managing specialist, says in his book "How to Live Within Your Income" that the key to successful budgeting is to make your own spending pattern. This means ignoring the canned percentages and "national averages." It means spending for the things you want most and learning how to skimp on the others that mean least to you.

How do you determine exactly what you want? That is

not easy. It would be nice to own a house and a boat, a new car and a smart wardrobe, but few can afford all of these things. You must be ruthless with yourself—after all it's your life, your money, your labor. So you separate the wants from the must, the essential from the desirable. You set aside enough for the basic requirements: food, shelter, emergency money and the rest. Then on the balance, if there is any, you establish priorities—most wanted things first.

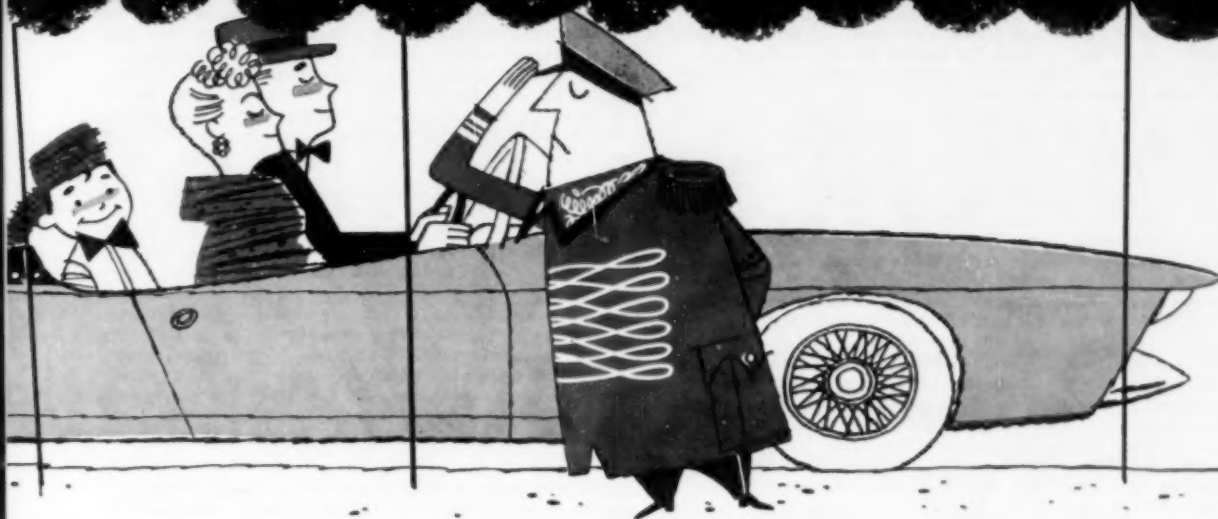
You must recognize at the outset that you cannot make a \$4000-a-year income buy an \$8000-a-year standard of living, but many people with a \$4000 income live better than some with \$8000. They do it through planning. The plan is simply the determination to concentrate on the things you want most and not be tempted by the others.

First step in learning how to spend and how to make your money work for you is to play by the rules. And there are rules. They have been formulated by the experts based on the experiences of thousands of people in every walk of life. Here they are for your guidance:

- **Don't expect miracles.** No matter how clever a money manager you become, you must be realistic. There is a limit to what you can make a dollar accomplish. However, if your goals are reasonable and consistent with your income then you can stretch a dollar a lot farther than you thought. But it is up to you to make it work.
- **Work at it.** Spending is a habit. To change that habit takes as much effort as cutting down on smoking or giving up coffee. You have probably drifted along without ever seriously figuring where your money went or why it didn't buy all you wished it would. Now you have to give some skull sessions to your money spending habits. Find out where it goes—and why.
- **Budget.** Use a piggy bank, separate your money into envelopes, open a checking account, hide money under the rugs—in short, set up a system that works for you no matter how fantastic or silly it may seem to anyone else. You are not planning for someone else, you are planning for you. Which scheme doesn't matter—having some scheme does.
- **Give yourself room.** Keep your plan flexible enough so that you can change your mind on some things and so you won't develop a guilt complex if you buy an extra newspaper. Managing your money should be a pleasure—give you a sense of accomplishment. If it's too rigid you will be its slave instead of the other way around. Keep it loose.

and how to be one!

All it takes to mimic the prosperous breed on one's inadequate salary is a stroke of imagination and plenty of squeeze.



- **Separate expenses.** Let's face it—you need a roof, food, clothing and occasionally medical attention. Don't attempt to chop off essentials. Keep them separate from the other money or you will be simply kidding yourself.

- **Spread out.** There are certain fixed expenses you will have to meet in addition to the basic essentials such as insurance, Christmas, birthdays. Don't hope for an inheritance or a TV jackpot to meet them. Spread out those bills, plan in advance how to meet them. Sock away a few dollars a month in advance. Ditto for purchasing large items—laying away in advance is cheaper than meeting installments and paying credit charges.

- **Which way did they go?** They went that-a-way—they being last month's dollars. The past is prologue in money matters, too. Keep track of your expenses. Keep some records on how much you spent last week, last month. It will give you a surprising insight into your own spending habits—help make cuts painlessly.

- **Plan it your way.** The whole idea of the system is to enable you to concentrate your income on what you want most. So if music is the big thing in your life, cut out something less important to you. Pay no attention to what the polls show someone else spends—like twenty-five per cent for rent or ten per cent for life insurance. You work hard enough for the loot; make it work hard for you.

- **Don't quit.** A smart businessman plans. He spends when the time is ripe—saves when that seems wisest. He may plunge, he may tighten up. But it is all planned out. Budgeting and spending are long-range propositions—you have some long-range goals. Watch the little items that sneak in and become, over the long pull, real big items. The business man keeps control even on petty cash and paper clips. You should also.

- **Make changes.** No plan can be the same year after year. Change yours from time to time as your income and your needs change. An \$80-a-week plan on a \$100-a-week income can result in \$80-a-week purchasing and the balance just "melting away." Money is like that. Update your plan as your situation changes.

So much for the system. It gives purpose and direction to your spending. It puts you in control of your income. But how about the outgo? There are some rules there also, rules based on common sense. They are founded on the proposition that your money should do more for you.

- **Plan your purchasing.** You can get a brand new 1955 car in December hundreds of dollars below the price you would pay for the same car the previous January. Ski equipment prices are slashed in March and April; summer suits in August. By planning you can buy out of season and save. The business section of your newspaper will give you sound clues as to overstocks caused by short seasons, oversupply and the like.

- **Be value conscious.** A pair of good slacks at \$20 might outwear two \$10 pair and look better as well. Don't let price alone be your guide. Good quality is often less expensive because it lasts longer. This means learning to read labels and understanding them—like knowing that a welted shoe is superior, that calfskin is the best material in a medium shoe, that a 2x2 fabric marking on a shirt means it can't be beaten for quality, that "vat dyed" means quality, that combed yarns are better than carded.

To learn quality you can subscribe to consumer publications which specialize in guiding you. You can get government pamphlets. You can cross-examine sales clerks and learn from them. You can write industry bureaus—the Cotton Council or the Wool Bureau. The reputable manufacturers will welcome your queries and help educate you. It will pay you to learn.

- **Buy middle-priced lines.** Safest bet is the in-between price. In the highest lines you pay for exclusiveness and style, neither of which wear well. In the lowest there is skimping somewhere. Middle-price lines in most merchandise are your best buys.

- **Buy in bulk.** Cigarettes by the carton are cheaper; so is ice cream by the gallon; drug items by the economy or giant size; golf balls by the dozen; detergents by the twenty-five pound pail. You know you will use all these things in a period of two, three or six months, so why kid yourself that it is wiser to buy them in the small size? Why pay extra for the package?

- **Don't buy name brands only.** Generally brand-name merchandise is your best bet but often stores have private brands every bit as good. They should be. Sometimes they are made by the same manufacturers under identical specifications to their brand-named merchandise. The key here is where you buy it—if the store is dependable and has a good reputation, you save by buying private brands.

- **Pay cash.** You pay for credit—even if there is "no charge for credit." The charge is hidden somewhere be-

cause credit costs a store a good deal of extra expense. If you must use installment plans, shop carefully for the best credit. Credit unions have the lowest interest rate of all; banks are next; department stores or installment houses are more expensive and personal loan companies the most expensive of all. For appliances try credit union or bank financing. Never borrow a dollar more than exactly what you need even if urged to "round it out" to the nearest \$50 or \$100.

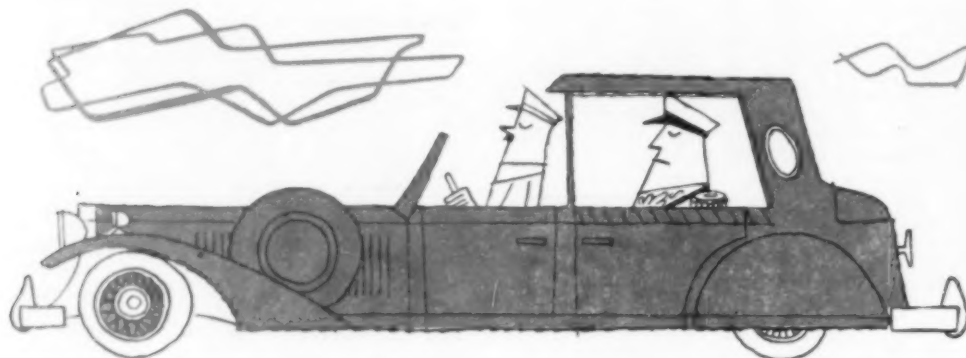
- **Be a sale shopper.** Some stores run "loss leaders" where they price a single item ridiculously low to lure you into the store, hoping you will then buy other things. You can save money buying the leaders if you resist the other temptations. Clearance sales are just that and generally worthwhile. But beware of manufacturer's close-outs. There might be a good reason why the manufacturer is quitting this item—too many customer complaints; failure to perform well. And remember you might not be able to get replacement parts. Don't be fooled by sales noting that "This item formerly sold at \$19.95." If it did it wouldn't be on sale. A more honest sign would read "This item did not sell at \$19.95." And remember, "formerly" might mean prior to the Civil War. Watch "irregular" sales. Sometimes the merchandise is perfect but the manufacturer, to protect his normal price, unloads them as irregulars.

- **Be alert.** Stretching dollars does not come naturally. You must be wide awake when the opportunities present themselves. You must be conscious of directing your money, not it directing you.

- **Watch small savings.** Two hundred dollars in bonds for one year will yield only a few pennies in interest; in a compound interest account it will earn about \$4; in a straight savings account about \$5; in some savings and loan associations it might earn \$6 to \$8. A small thing, true. But if someone this moment offered you an extra \$4 or \$5 for nothing, would you take it or ignore it because "it isn't very much?"

- **Save systematically.** A payroll deduction plan; a bond-a-month plan; a periodic investment program; even a Christmas club—all of these help you to save a set amount each payday, rain or shine. Experts agree that systematic savings are the most effective of all and preferably one where you don't get to see the money at all or one where you have some obligation, a coupon, a monthly reminder, something which keeps you saving on a regular basis. Ordinary life insurance is considered by some to be a good investment and savings plan combined because the cash surrender values add up after the first few years of a policy to a point where you not only have insurance protection but should you need it security for a loan or, should you cash it in, the money.

An old Italian proverb says, "When money is not the servant, it must become the master." Many people are living richer and fuller lives on normal incomes because they have conscientiously applied the rules of money management to their own spending. Thus they achieved more for their money, not only in material things, but in the feeling of accomplishment that comes when you make money your servant to help you live better.

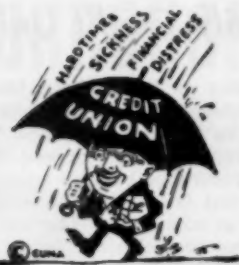


Recipe for a Home

One-half cup of friendship and a cup of thoughtfulness,
 Creamed together with a pinch of powdered tenderness,
 Lightly beaten in a bowl of loyalty,
 With a cup of Faith and one of Hope and one of Charity.
 Be sure to add a spoonful each of gaiety and songs
 And also the ability to laugh at little things.
 Moisten with the sudden tears of heartfelt sympathy.
 Bake in a good natured pan and serve repeatedly.

—80 SQUARE

FAMILY DIGEST



Volume 20 Published Monthly P. O. Box 431, Madison 1, Wisconsin; P. O. Box 65, Hamilton, Ontario January, 1956 Number 11

The Bancrofts Live on Even Keel

MR. BANCROFT WAS THINKING over the family fight which had occurred the night before. It dawned on him that by increasing and reducing allowances, he was upsetting the financial patterns of the various members of his family. He noticed that these ups and downs had even affected their friends.

Imagine the family's surprise when Mr. Bancroft brought up the problem, and suggested they develop an "Even-Keel" program.

"Suppose we study our expenses, and make an allotment to each member of the family to cover expenses for which they are responsible, plus a personal allowance. Then we will set up a savings account for the expenses that come occasionally. In addition, we will set aside an amount that shall go for either savings or to pay on a loan. When emergencies arise, it will be applied on a loan. If many emergencies come—we will merely let the loan extend over a longer period of time. Should serious emergencies occur—we would consider changing our standard of living. If no emergencies come, we will accumulate some savings."

It turned out that as the earnings of Mr. Bancroft increased, the plan was re-adjusted. Over the years, however, there were times when savings were accumulated. When loans were needed, the savings were never touched. Instead, the allotted amount was applied to the loan.

Today, Mr. Bancroft has a sizeable savings account, which he explains: "We were lucky to set up slightly conservative allowances for expenses, and a liberal contingency account which has covered many emergency needs. But living on "Even Keel" has been good for family relations."

Wise Men Say

•• The highest reward one can get for good work is the ability to do better work.

The Story of MARY and JOHN



HERE we have John—and Mary—and the kids!

They are backed up by two of their best friends—their credit union and Life Savings insurance.

Life Savings insurance is the inducement which the credit union gives John and Mary to save money, systematically, persistently, day by day, by matching each penny saved with a penny of life insurance (note limitations below).

Here is How it Works

John and Mary decided that they would save 25c a day with their credit union. They may decide on a larger or smaller amount and the results will still be good. 25c a day amounts to \$1.75 a week. In a year their savings total \$91. With their credit union Life Savings insurance plan, they also now have \$91 of life insurance on John. This insurance (the premium for which is paid by



the credit union) grows with the savings and without extra cost to John and Mary. They get usual credit union dividends on their savings, and, at the end of ten years, they have saved \$910, which, with the dividends, equals close to \$1,000. And they have life insurance on John also totalling close to \$1,000. To the maximum amount of \$1,000, John's life is insured in the amount of his credit union savings, all without extra payment or physical examination. To be insured the member must be physically able to perform the usual duties of his livelihood.

Where Does This Life Insurance Come From?

Your credit union has an insurance policy with the credit-union-owned-and-operated CUNA Mutual Insurance Society. By this policy it insures the lives of all members (subject to conditions herein later explained) in the amount of their total savings in the credit union at time of death. The credit union pays a monthly premium of 6½¢ per \$100 of outstanding shares and deposits. If, for example, your credit union had, at the end of a given

month, a savings balance equal to \$20,000, the Life Savings insurance premium would be \$13. As your credit union pays for the insurance out of its earnings, the amount of dividend which it would otherwise pay is probably reduced a little.

The problem for John and Mary is — would they rather have a little more dividend or, instead, life insurance (in the amount of their savings) on the bread-winner.

A good slogan for John and Mary would be . . . Save systematically — day by day! Watch it pile up!



There Are A Few Qualifying Rules

The maximum amount of savings insured under Life Savings coverage is \$1,000.

The age of the member at the effective date of the contract will determine the original amount of in-

surance on the savings. Insurance on subsequent savings is determined by the then attained age. To the maximum savings covered (\$1,000) the insurance benefits equal 100% of what is saved prior to age 55; 75% of what is saved between ages 55 and 59 inclusive; 50% of what is saved between 60 and 64 inclusive; and 25% of what is saved between 65 and 69 inclusive; and it does not cover any additional savings in the credit union after attaining age 70. Insurance covers only savings in the credit union at time of death. The insurance ceases in the event of cancellation.

If John is going to play fair with Mary and the kids he will save money systematically, day by day. The credit union will help him create even greater security by matching his savings with Life Savings insurance.

For full details about the Life Savings plan carried by your credit union, see your treasurer.

—CUNA Mutual Booklet LS-4.



me if anything was wrong. When he heard my story he told me he had a friend that could fix me up. I was afraid of this friend a fair now. One had already fixed me, this other would probably kill me. However I went to him.

The friend to whom I was sent was a credit union treasurer. You can imagine how nervous I was but he soon had me feeling at ease.

Credit unions, he told me, are really for helping people like you. They exist too, to do away with loan sharks. In the sweetest possible way he told me I had learnt a tough lesson and that in 32 weeks I would learn a different lesson—a lesson about self-help and mutual aid.

I became a member of the credit union after this interview by paying my entrance fee of 25c and 25c toward my first share. Later that day I went back to see him and received a cheque for \$16 as a loan. (He paid off the loan shark for me who was glad to take \$16 and close the deal). I was to pay the credit union a dollar a week, 50 cents was applied to my loan and 50 cents to savings. At the end of the 8 months the loan was paid in full. The interest charges were only 72 cents at 1% a month on the unpaid balance. The important thing, however, was that I had saved \$16. The first time in my life I had ever saved anything.

I have borrowed several times since. My savings keep on piling up. I have over \$50 now. What a lesson I have learnt. If given a chance people can better themselves. The credit union is my best friend. It has taught me how to live.

A Victim Speaks

FROM BELIZE, BRITISH HONDURAS, CENTRAL AMERICA

(The unscrupulous exploitation of people with financial hardships by usurious money lenders remains very much of a problem — not only in our sister countries but also right here at home in the United States. See BRIDGE, August, 1955, pp. 8-10.)

IT IS ALMOST TWO YEARS NOW but the strait I was in seems as real as though it were yesterday. Here is the story:

I am a domestic and earn my living by cooking and washing for people. Four dollars was my weekly salary. All of a sudden I needed medical attention, the cost of which was \$5. The Doctor had to have his money. I could not delay too long, so, on recommendation, I borrowed the money from a friend. There was no trouble in getting it. All I had to do was to sign a note for \$6.25 and I was given the \$5. The understanding was that at the end of each week all I would have to do is pay 25 cents on each dollar.

Fortunately I recovered my health and was able to continue working. For four weeks I paid my friend \$1.50 each week. That took care of my interest but the capital was untouched. By this time rental for the little room in which I lived became due and I could not pay the friend anything. I had to sign a new note which included the arrears of interest. As time went on this had to be done from time to time. The original \$5 loan finally reached \$16. The interest on this was \$4.00 for the week. That was my whole salary. I really was in trouble now.

Sleep became difficult. I lay awake all night. I could hardly work by day. A man I knew well asked



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CU-56

Our Members Write

TO THE EDITOR:

In the September 24, 1955, issue of BUSINESS WEEK was an article under the division of Finance entitled, "Credit Unions, Hazards of Growth".

The benefits derived from the operation of a credit union for the small wage earner are so many and of such practical value that they far over-shadow any drawbacks whatsoever.

May I suggest some personal experiences in my own business career which will point out some of these benefits. When I first began working in an office, in 1933, I had no credit established, I was working on a beginner's salary, and in trying to meet current living expenses, from time to time I found it necessary to borrow small amounts from one pay day to the next. Even to borrow from relatives and friends occasionally, it sometimes wears friendships thin. The established banks were not at all interested in these small loans, say \$10, \$25, \$50, or \$100. They considered such loans a "nuisance" and claimed they couldn't make any profit on them (even though on a \$100 loan they would first deduct \$8 interest for a whole year's time and give the borrower proceeds of only \$92). Though the borrower made monthly payments and actually used the \$92 only one month, used only \$84 of the bank's money the second month, etc., etc., he paid interest on the full amount of \$100 for the full year. No profit???

Since the banks discouraged such small loans, and the hard-pressed wage earner didn't like to bother relatives and friends, and didn't want to have the embarrassment of asking his employer for salary advances, he had only to turn to the finance companies, yes, and even the "loan sharks".

Until small loan legislation was enacted in various states, some of these "loan sharks" charged interest as much as 222% per year!!! Do you not call that usury? And even with legislation, some are still operating.

A number of years ago, on several occasions, I needed only \$10 for a month, or until next pay day. One of the sharpers (still in business, and supposedly a "public spirited" citizen) claimed he was acting as a "broker" in obtaining the cash from a bank. He would make out a note

for \$11.85, have me endorse a check for \$11.50; then he would give me a \$10 bill. At the end of the month I paid back to him \$11.85 cash. The "loan shark-broker" said the interest charge was only 35c. Apparently the \$1.50 was his brokerage fee. But this, of course, was before our company credit union was organized.

The credit union plan of savings and loans for members has been a god-send for thousands and thousands of small borrowers.

Even as late as the latter part of 1954, merely out of curiosity I inquired of the "loan shark-broker", mentioned above, regarding a loan of \$100 for only six months. They suggested repayment in six monthly installments of \$20 each... approximately 6½ times the credit union rate of 1% per month, even in the face of the Kansas small loan law which permits 3% interest per month on the unpaid balance. How do they continue to get by?

All in all, I feel the credit union movement already has a remarkable record of achievement, and the practical benefits derived for the membership in particular, and the public in general, have been so great, that the program is bound to continue its advance and will always have a permanent place in our American economy.

—Finis V. Swender

Try This In The New Year

AFTER HE HAD BEEN SHOWERED with honors, one man was asked to give, if he could, the secret of achievement.

Yes, he could do that.

"The secret of influence over others," said he, "is merely to show them that you appreciate them."

No matter who it is you have to influence, or persuade, or even to correct, the secret is the same—first appreciate the person. Begin with a few words of deference or approval. These set the stage. They make the other person immediately receptive to what you have to say. Many persons, sensing the importance of this, misuse the rule because they do not distinguish between appreciation and flattery. The two are not the same.

Whenever you want to influence someone, show him you appreciate him, because, as one man points out, "Everyone has some reason for thinking himself important. Per-

haps he is. But that is his belief. Show him you share it."

Just how can you use this magic of appreciation? Consider these ways:

Listen while the other person talks. Be quick to perceive the points where his greatest pride lies—points he brings up most often, dwells on longest. By adroit remarks or questions, get him to talk more about that.

Before you have to make an important contact with a person, discover if you can, things about him that it would please him to have you know. Mention these in your conversation.

And do not be afraid to compliment others. Most persons crave far more compliments than they receive, and expand like roses in a Maytime sun when they come.

Use the magic of appreciation and watch your influence rise.

—CURRENTS.

Be It Resolved

1. I resolve to put something into a credit union share account every pay day.

2. I'm going to borrow from the credit union whenever I'm tempted to use dealers' "easy credit" installment plan terms which would cost me more than the interest amounts to on a credit union loan.

3. Every windfall I get, like an income tax refund, will go into my credit union account in 1956. (What's left of my Christmas bonus, too. Whether I'll have anything left is covered by a separate resolution!)

4. Another resolution I'm going to keep in 1956 is to put my wife's and children's savings in the credit union. They can have separate accounts of their own.

5. Bargain days aren't going to catch me short of cash in 1956. Whenever the reduction is more than the credit union interest will be, and I need the article, I'm going to use cash borrowed from the credit union and save money.

—FROM COVERAGE, Employers Mutuals of Wausau.





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to help you
with your problems

Credit unions asked us for colorful, hard-working stock posters on savings, loans, and membership, in addition to the regular Poster-A-Month series — and here they are! Use them whenever your members need a strong reminder. Order them anytime.

Printed in three striking colors, each poster is already a proven attention-getter. Order enough to reach all your membership at this bargain price for quality printing: only 25c for the first copy of each poster, plus 12½c for each additional copy ordered in the same mailing. Stock up for later needs now!

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SP-2 Borrowing
Save your members
from the squeeze.

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SP-3 Auto Loans
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Attracts new members,
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worry-free vacation!



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and enjoy it.

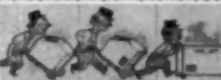
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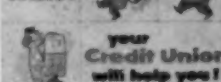


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SP-6

SP-7

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For families with an income of less than \$7,500 a year, it is hard to squeeze enough money out of the budget to pay for adequate insurance.

That's why credit unions have set up their own insurance company selling the most economical forms of life insurance.

Selling by mail helps keep the cost down. The types of insurance available are:

1. Renewable term insurance. For maximum low-cost protection.
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4. Extraordinary life. To provide special savings funds.

You can get free advice on your family insurance problems with no obligation and no agent calling. A rate book will be sent if you want one.

*Write to Counselling Service,
CUNA Mutual Insurance Society,
Madison, Wisconsin or Hamilton, Ontario*

YOUR INDIVIDUAL INSURANCE

Most credit unions protect all loans with CUNA Mutual Loan Protection Insurance, at no extra charge to members.

This insurance pays the loans of insured borrowers who die or are permanently disabled.

Loans are usually insured up to \$10,000. There are age and health restrictions, but they are liberal. No medical examination, no red tape required.

Most credit unions also provide life insurance to members on the basis of their savings, at no extra charge.

This is called Life Savings Insurance. The maximum is \$1,000.

There are age and health restrictions on Life Savings, but generally it provides a dollar of life insurance for each dollar saved between 6 months and 55 years of age.

Get the complete story from your credit union. This is worth keeping track of.

YOUR LOANS AND YOUR SAVINGS

POLICYOWNERS!

come to the area meeting!

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Just out of Hollywood, this clear, memorable presentation of the story of Loan Protection and Life Savings Insurance is well worth seeing for all credit union officers and members! Made by the producers of "King's X". Black and white, runs 17 minutes 10 seconds.

First showings now being arranged. Contact your Credit Union League or CUNA Mutual for prints.

Get your order in now!

The facts in this folder should be kept with your other insurance papers.



Clip this page, fold it along AA, then along BB, and you will have a booklet to remind you and your family of the important insurance protection you get through your credit union.

YOUR CREDIT UNION INSURANCE PROGRAM

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